Written Comments Of
National Pork Producers Council

On

Advancing the U.S. Trade Agenda: Benefits of Expanding U.S. Agriculture Trade and Eliminating Barriers to U.S. Exports

House Committee on Ways and Means
Trade Subcommittee

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The National Pork Producers Council (NPPC) hereby submits comments in response to the Committee on Ways and Means – Subcommittee on Trade hearing on advancing the benefits of expanding U.S. agriculture trade and eliminating barriers to U.S. exports for consideration by the Committee for inclusion in the printed record of the hearing.

Introduction

The National Pork Producers Council (NPPC) is an association of 44 state pork producer organizations that serves as the voice in Washington for the nation's pork producers. The U.S. pork industry represents a significant value-added activity in the agriculture economy and the overall U.S. economy. Nationwide, more than 69,000 pork producers marketed more than 111 million hogs in 2013, and those animals provided total gross receipts of over $20 billion. Overall, an estimated $21 billion of personal income and $35 billion of gross national product are supported by the U.S. hog industry. Economists Dan Otto and John Lawrence at Iowa State University estimate that the U.S. pork industry is directly responsible for the creation of nearly 35,000 full-time equivalent pork producing jobs and generates about 128,000 jobs in the rest of agriculture. It is responsible for approximately 111,000 jobs in the manufacturing sector, mostly in the packing industry, and 65,000 jobs in professional services such as veterinarians, real estate agents and bankers. All told, the U.S. pork industry is responsible for more than 550,000 mostly rural jobs in the United States.

Exports of pork continue to grow. New technologies have been adopted and productivity has been increased to maintain the U.S. pork industry's international competitiveness. As a result, pork exports have hit new records for 20 of the past 22 years. In 2013, the United States exported more than $6 billion of pork, which added about $54 to the price that producers received for each hog marketed. Net exports last year represented almost 26 percent of pork production. The U.S. pork industry today provides 23 billion pounds of safe, wholesome and nutritious meat protein to consumers worldwide.

The following are barriers/issues facing the U.S. pork industry and impeding U.S. pork exports.

Trans-Pacific Partnership

The Trans-Pacific Partnership (TPP) presents an opportunity to open additional markets to U.S. pork and to expand many existing ones in the Asia-Pacific region. The negotiation includes the United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. NPPC supports a high-standard, 21st century TPP Agreement that eliminates the gate price and all tariff and non-tariff barriers to trade. The elimination of tariffs is the heart of an FTA. An agreement that does not eliminate the gate price and tariffs will negatively affect U.S. pork exports for the next 20 years, meaning billions of dollars less in U.S. pork sales and tens of thousands less U.S. jobs. Industry analysts estimate that if all tariff and non-tariff barriers are eliminated on pork in each TPP nation, more than 15,500 new jobs will be created in the United States, and pork exports will grow significantly.

Japan

Japan is the most significant market among the countries in TPP for increased U.S. pork exports. Japan currently is the largest U.S. pork export market in terms of value and the second largest volume market; Japan in 2013 imported approximately 425,000 metric tons of U.S. pork valued at over $2 billion. The high volume of U.S. pork exports to Japan takes place despite significant import protection that country provides through a complex system commonly referred to as the "Gate Price" system.   that is described below.

Japan joined the TPP negotiations last year, with strong support from NPPC and virtually all of U.S. agriculture, under the assumption that Japan would accept and implement the already agreed TPP goal of tariff elimination in all products. Japan had every reason to seek membership in TPP in order to keep pace with other neighboring nations such as South Korea. And, most Japanese officials understand that Japan should reform and liberalize its agricultural sector.

Unfortunately, Japan is pushing hard a proposal on market access in TPP that, if accepted, would have devastating consequences for pork producers and all of U.S. agriculture. Japan seeks to exempt 586 tariff lines or 11 percent of its tariff schedule (at the 6-digit level) from going to zero with the United States. In order for the TPP to be a high standard, 21century agreement, Japan's deal on market access should EXCEED the deal that Korea and other U.S. FTA partners made this century with the United States. Yet, Japan, by seeking special treatment that no other U.S. FTA partner has received, is insisting that the United States move backward. Japan's market access offer, if accepted, would be a radical departure from past U.S. trade policy. Japan's offer would exempt 2.7 times more tariff lines from going to zero than in all 17 previous U.S. FTAs this century combined.

The current Japanese offer on pork is completely unacceptable to pork producers. When Japan's current offer on pork is compared to what the U.S. industry has received to date in all previous FTAs – tariff elimination – the frustration of pork producers is easily understood. While Japan's current offer on pork, if implemented, might allow a modest increase in U.S. pork exports, it would rob the U.S. pork industry of hundreds of millions in annual pork exports to Japan that the industry would otherwise realize if the gate price and tariffs on pork were eliminated. By giving Japan special treatment so it can protect its farmers, U.S. producers are being cheated out of hundreds of millions in annual sales. To make matters worse, the precedent established with Japan will have a long tail. It will diminish the value of all future FTAs to pork producers. The EU and all future FTA partners, such as China and The Philippines, will use the Japan deal as the starting point in their negotiations with the United States. This is the most important commercial issue ever to face U.S. pork producers. NPPC would not be able to support either TPP or TPA if the Japanese proposal were to be incorporated into the final TPP agreement.

Likewise, there is tremendous concern among the other so-called sensitive sectors of beef, dairy, wheat, and rice. The Japanese proposal, if implemented, would cheat these sectors out of hundreds of millions – collectively billions – in annual sales to Japan. A toxic precedent would be set that would follow U.S. agriculture the next 25 years diminishing the value of all future FTAs. There has never been a more important trade issue for U.S. agriculture.

The U.S. umbrella business organizations correctly understand the significance of this issue transcends agriculture. If the United States acquiesces to Japan's demands, it is not difficult to envision other trading partners asking for exemptions on non-agricultural products. If Japan is permitted to shield a massive number of tariff lines from tariff elimination, other TPP countries are likely to pull back their sensitive products in the market access negotiations and/or scale back the concessions they are willing to make in the rules negotiations. Even if a final TPP deal could be consummated under such circumstances it will be "TPP lite" and a far cry from a high standard, 21st century agreement. An unacceptable precedent will be set that all future TPP acceding nations will seek to exploit. Clearly, the U.S. must reject Japan's offer and insist that Japan do what every other U.S. trading partner has done, and what all the other TPP nations are willing to do, eliminate tariffs on virtually all products. For pork, this unequivocally means elimination of the gate price, tariffs, and all protection. If Japan is unwilling to open its markets fully to our products, then it should exit the negotiations so that the U.S. and the other nations can expeditiously conclude the negotiations.

We acknowledge and deeply appreciate the support of the Chairman and members of this subcommittee. We call on all members of the Congress to call out Japan for its unacceptable and counterproductive position in the TPP negotiations. A small, vocal group of protectionist farmers in Japan have high jacked the TPP negotiations. Japan needs to break the gridlock and make a decision: either it fully opens its market to all our products – like every other nation – or it gets out.

Vietnam

With the exception of Japan, Vietnam offers the most potential for expanded U.S. pork exports through the Trans-Pacific Partnership (TPP) negotiations. Domestic pork consumption is 2.0 million metric tons per year, bigger than Mexico.

The steep decline in U.S. pork sales to Vietnam since its accession to the World Trade Organization (WTO) can be attributed to a series of import barriers. These restrictions are clearly designed to protect Vietnam's producers from imports. All of these restrictions must be removed as a result of the TPP negotiations.

Pork Offal Ban: In July 2010 Vietnam instituted a ban on the importation of all pork offals. No explanation was given for the import ban. In March 2011 Vietnam lifted the import ban on "red offals" (heart, liver, kidney), but left the ban on "white offals" in place. Vietnam officially lifted its ban on "white offals" in February 2014. The new import conditions for white offal, however, include additional certification requirements and entry into the country through only three ports.

MRLs on Pork Offals: Vietnam refuses to recognize the scientific process of applying a "reference" maximum residue level (MRL) for compounds in pork offals. This process is recognized by the Codex Alimentarius (Codex), the U.S. and most other countries. This practice may continue to inhibit our exports of offals. However, Vietnam recently adopted Codex MRLs for several veterinary drugs, which shows a willingness to recognize international standards.

Zero Tolerance for Pathogens on Pork Products: Vietnam also appears to be enforcing a zero tolerance policy for pathogens on raw meat products, including pork. No country in the world, including Vietnam, can guarantee the complete absence of pathogens on raw meat products. Vietnam's zero tolerance policy for pathogens is not based on science, and likely violates numerous provisions of the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures.

Plant Registration Requirements: In May 2010, Vietnam issued "Circular 25", which requires U.S. exporting establishments to provide the Vietnamese government with company-specific information that is administratively burdensome and irrelevant to ensuring food safety. Both the USDA and U.S. companies have worked with Vietnam to supply some of the requested information, but because of the extensive nature of Vietnam's information requests, only a fraction of interested U.S. companies are eligible to export pork to Vietnam.

In the context of its accession to the WTO, Vietnam, by an exchange of letters dated May 31, 2006, made a bilateral commitment to recognize the U.S. pork plant inspection and approval system as equivalent to its inspection system. Vietnam is in clear violation of the equivalence commitment it made to the United States. This issue must be addressed for the U.S. pork industry to benefit from the elimination of duties through the TPP.

Reference Price System: Vietnam recently implemented a reference price scheme to assess import duties on pork and other products. Under the reference price scheme, certain pork cuts are assessed import duties not based on CIF import prices (i.e. delivered price to the importing country) but reference prices established by the Vietnamese government. WTO rules stipulate that import duties should be based on the actual value of the imported product, and not on "arbitrary and fictitious values." The reference price scheme creates significant uncertainty in doing trade with Vietnam, and in many cases raises the cost of imported pork for Vietnamese consumers. Vietnamese import duties on U.S. pork should be reduced and eventually eliminated as a result of the Trans Pacific Partnership negotiations.

Malaysia

Malaysia is currently a small market for U.S. pork exports. However, there is a large ethnic Chinese population in Malaysia that consumes large quantities of pork, and there is potential for significant U.S. pork sales to this market. Malaysia applies a duty of five to ten percent on most pork imports. These duties should be eliminated as an outcome of the TPP. In addition, Malaysia has a de facto ban on imports of many kinds of pork, and often refuses to issue import licenses even for those pork cuts that are allowed entry. Recently the Malaysians halted virtually all pork imports.

Australia

Pork is the largest U.S. agricultural export to Australia. U.S. pork sales to Australia have surged from 3,400 MT in 2004, the year before the FTA went into effect, to 53,840 MT in 2013 valued at $176 million.

In spite of the recent surge in U.S. pork sales, Australia still maintains very significant non-tariff SPS barriers to U.S. pork imports. The U.S. currently is restricted to sending either processed pork or frozen, boneless pork for further processing to Australia. Both the Bush Administration and the Howard government committed after the negotiation of the U.S. - Australia FTA to moving quickly to remove these impediments to trade. But, to date, no progress has been made.

Australia's non-tariff barriers include restrictions on U.S. pork based on two diseases: Porcine Reproductive and Respiratory Syndrome (PRRS) and Postweaning Multisystemic Wasting Syndrome (PMWS). The presence of these diseases in the U.S. does NOT constitute a valid scientific basis to restrict U.S. pork exports.

Porcine Reproductive and Respiratory Syndrome (PRRS): Australia limits the import of U.S. pork to heat processed pork and frozen boneless pork for further processing, due to what it claims is a threat of transmission of PRRS to the Australian swine herd by U.S. pork. The risk of introduction of PRRS into the Australian swine herd due to the import of U.S. pork is negligible. There has never been a case of PRRS having been transmitted through legally imported fresh, chilled or frozen pork to any country free of PRRS. For example, Switzerland is free of PRRS and has imported without restriction hundreds of thousands of tons of pork from countries known to have PRRS, without a single transmission of the disease having taken place.

Australia's PRRS related restrictions on U.S. pork are inconsistent with international standards. The World Organization of Animal Health (OIE) focuses on trade in live animals and genetics as posing a PRRS threat, and does not recognize trade in pork as posing a threat of transmitting the disease.

New Zealand, another country with PRRS related restrictions on U.S. pork, undertook a risk assessment aimed at determining the risk of PRRS transmission posed by imported pork. New Zealand came to the conclusion that the risk of transmission of PRRS to domestic hogs through imported pork from PRRS positive countries is negligible. According to the New Zealand analysis, risk of PRRS transmission posed by the import of pork from PRRS endemic countries is one case every 1,227 years.

Australia has not conducted an assessment of the health risks posed by U.S. pork since 2003. In addition to the New Zealand findings, over the last ten years a significant amount of research has taken place demonstrating the negligible risk of PRRS transmission related to trade in pork. Australia should use this research, the results of the New Zealand risk assessment, and the OIE health standard, as a basis for eliminating PRRS related restrictions on U.S. pork.

Postweaning Multisystemic Wasting Syndrome (PMWS): Australia also restricts U.S. pork imports because of unfounded concerns regarding the presence of PMWS in the United States. However, most countries, including Australia also have an incidence of PMWS in their herd. In 2007 Australian researchers concluded that PMWS and the circovirus genotype associated with it, PCV2b, existed in the Australian herd, and had been present for a number of years.

Australia's PMWS related restrictions on U.S. pork violate fundamental principles in the WTO SPS Agreement requiring that SPS measures be based on science and legitimate human or animal health related concerns. It also violates the national treatment principle contained in Article 2.3 of the SPS Agreement, which states in part that SPS measures should not "arbitrarily or unjustifiably discriminate between Members where identical or similar conditions exist."

Australia is the only country in the world that imposes PMWS related restrictions on U.S. pork and pork products. Other countries, as well as the OIE, recognize that trade in pork products does not present a risk of transmission of PMWS. Australia's PMWS related restrictions on U.S. pork should be eliminated through the TPP negotiations.

Pork Plant Approval: Australia limits imports from the United States to U.S. facilities that have been approved by Australia. Australia should recognize the U.S. pork inspection and approval system as equivalent to its own, and accept U.S. pork from all USDA approved pork facilities.

New Zealand

In 2013, the U.S. exported 8,413 metric tons of pork and pork products, valued at $25 million. However, current protections remain that inhibit growth of U.S. pork exports to New Zealand.

Import Duty: New Zealand allows duty free access for pork from Australia, China and Canada, but the U.S. has to pay an import duty or tariff. It is very important that New Zealand provide the United States with immediate duty free access (i.e. no phase in period) for all pork products as part of the TPP in order for the U.S. pork industry to operate on an even playing field with other suppliers to this market.

Porcine Reproductive and Respiratory Syndrome (PRRS): In 2001, New Zealand restricted imports from countries where porcine reproductive and respiratory syndrome (PRRS) is present, including the United States. The restrictions limited U.S. pork exports to New Zealand to cooked products, canned (or equivalent) products and unprocessed fresh/frozen pork to be shipped to a designated facility in New Zealand for cooking. After a decade of assessing scientific studies on PRRS and the biosecurity risks of importing raw pork, New Zealand's Ministry for Primary Industries (MPI) issued a new Import Health Standard (IHS) for importing pork and pork products from countries with PRRS. The IHS allows the importation of consumer-ready cuts of uncooked pork less than three kilograms from the United States. The New Zealand Pork Industry Board (NZPork) in 2011 asked the New Zealand High Court for judicial review of the IHS and in 2012 the Court ruled in favor of the MPI. The High Court's decision was appealed, ultimately resulting in the dismissal of NZPork's appeal by the New Zealand Supreme Court in December 2013.

PRRS is not a food-safety issue, and there is negligible risk of PRRS transmission from the legal importation of pork from countries with the disease. Thanks to the work of experts nominated by NPPC to the New Zealand Independent Working Group and the New Zealand PRRS Expert Working Group, scientific evidence was used to illustrate the minimal risk of spreading the virus. In fact, based on a conservative risk assessment model, New Zealand's chances of getting PRRS from legally imported uncooked pork products are such that it would get one case every 1,227 years.

European Union/Transatlantic Trade and Investment Partnership (TTIP)

The United States is a global leader in the production of low cost, safe, high quality pork. The

European Union, with 450 million mostly affluent consumers, is the second largest pork consuming market in the world, yet U.S. pork sales to the EU are lower than our shipments to small countries such as Honduras. Current EU sanitary and phytosanitary (SPS) and tariff barriers have resulted in U.S. pork exports to the EU totaling only 5,080 metric tons (MT) in 2013, which is less than 0.04 percent of EU pork consumption

In the absence of tariff rate quotas and SPS restrictions, the EU would be one of the largest markets in the world for U.S. pork exports. According to Iowa State University economist Dermot Hayes, the increased U.S. pork exports that will be generated by TTIP will create 17,680 new jobs in the United States.

The following barriers are just a few of the major impediments to increased U.S. pork exports.

Ractopamine: The EU bans the use of ractopamine in pork production and the import of pork produced with ractopamine despite the absence of a science-based risk assessment to justify its actions. The EU ban on ractopamine means that only a small fraction of U.S. pork, which is verified to be free of ractopamine, can be shipped to the EU.

In July 2012, the Codex Alimentarius Commission established a maximum residue level (MRL) for ractopamine. In recognizing the safety of ractopamine, the Codex joins the U.S. Food and Drug Administration (FDA) and 25 other countries that have approved the product for use in pork production.

Trichinae Mitigation: The EU currently requires that the U.S. conduct trichinae risk mitigation such as testing or freezing as a condition for market access. These mitigation requirements are costly and unnecessary. The USDA has determined that there is negligible risk for trichinosis in the U.S. commercial herd. U.S. animal disease experts estimate the chance of a human getting trichinosis from the consumption of U.S. pork at 1-in-300 million.

Tariff Rate Quotas: During the World Trade Organization (WTO) Uruguay Round, the EU refused to adopt the agreed minimum access quantity for its tariff rate quota on pork. Although the agreement called for a minimum quota of 1 percent of domestic consumption – which would have been around 1 million metric tons – the EU approved quotas totaling only 70,000 MT. Moreover, taking advantage of that small total quota is made difficult by high in-quota duties and a licensing system that makes it difficult to adjust to market conditions. And shipping pork to the EU outside the quotas is impossible because out-of-quota duties are set at prohibitively high rates.

Pork producers' support for a final Transatlantic Trade and Investment Partnership (TTIP) is conditioned on the elimination of all tariff and non-tariff barriers to U.S. pork exports to the EU. This outcome for pork was achieved in every other U.S. FTA, and TTIP should be no different.

China

China is by far the largest potential market for U.S. pork exports in the world today. In 2013, the U.S. exported 333,000 MT in pork and pork variety meats to China valued at $703 million making China the third largest export destination by volume and fourth by value. Over the past few years China has been one of the fastest growing markets in the world for U.S. pork exports -- in spite of the import barriers that range from subsidies to value added taxes. However, the major barriers to U.S. pork exports are China's unscientific restrictions to pork imports in particular its ban on ractopmine.

Since 2007, China has restricted imports from the United States through a ban on the feed additive ractopamine. The U.S. Food and Drug Administration conducted a risk assessment and approved ractopamine for use in animal feed for pork production in 1999, and twenty five other countries around the world have also approved the use of this product. In July 2012, the Codex Alimentarius (Codex) voted to approve an international standard that set maximum residue levels for ractopamine as a feed additive, thus recognizing the product as safe for use in beef and pork production. In 2010 the scientists reviewed China's risk assessment on ractopamine and concluded that in fact, China's scientific data supported the safety of the product. In spite of years of bilateral discussion, China has given the United States no legitimate science-based reason for its ractopamine ban. Chinese officials know very well that this ban has the effect of limiting U.S. pork exports. In addition to the ban on ractopamine, China now requires that USDA's Food Safety and Inspection Service (FSIS) certify that pork from the U.S. destined for China was produced without using ractopamine by certifying to a costly process verified program or testing program.

China has recently indicated that they expect all U.S. pork meet their requirements for other veterinary drugs, but have provided no scientific evidence to prove why after decades of use in numerous countries around the world, the use of these vet drugs are restricted. The truth of the matter is that without the use of these veterinary drugs, it threatens the herd health of the U.S. swine herd and the welfare of these animals at a time when our industry desperately needs all safe and approved tools to ensure a healthy herd.

Taiwan

Since 2007 Taiwan has disrupted market access for U.S. pork exports through an unscientific, zero tolerance policy regarding the feed additive ractopamine. There is an overwhelming body of scientific evidence which demonstrates the safety of ractopamine. Ractopamine has been determined to be safe by the U.S. Food and Drug Administration (FDA) and is approved for use in pork production in 25 other countries. In July 2012, the UN's Codex Alimentarius, which sets international standards for food safety, approved a maximum residue limit (MRL) for ractopamine, which U.S. pork meets.

In August 2007, the Taiwanese government notified the World Trade Organization of its intention to establish an MRL for ractopamine in pork, basing that decision on the draft Codex MRL. Unfortunately, that WTO notification was withdrawn a short time later as a result of intense political pressure from Taiwanese pork producers. Taiwanese officials assured the United States that the ractopamine ban would be rescinded once national elections in May 2008 had passed. That did not happen.

In early 2011, government officials stated that Taiwan would not review its ban on ractopamine until Codex Alimentarius made its recommendation for residue levels. Then in July 2012 the Taiwanese legislature passed legislation that set an MRL for imported beef but not for pork. This and other recent efforts by Taiwanese officials to address the ractopamine issue have been met with strong protests from domestic pig farmers.

According to industry analysts, the U.S. would ship significant amounts of pork to Taiwan if it lifted its ractopamine ban. Taiwan should immediately lift its unjustified ractopamine ban on all U.S. pork and pork products, and at the very least establish an import MRL based on the U.S. or Codex standard. The United States should not finalize TIFA negotiations or accept Taiwan into the TPP until Taiwan eliminates its ractopamine ban and otherwise fully opens its market to U.S. pork.

The Philippines

The Philippines has become a very good market for U.S. pork, with U.S. sales totaling $112 million in 2013 – now the U.S. pork industry's 8th largest export market. However, U.S. pork sales to the Philippines could be much larger. The Philippine government, sensitive to its strong agricultural lobby, has an unfortunate history of erecting barriers to pork imports, dating back to the implementation of its Uruguay Round obligations on pork. Taken together, Philippine trade barriers are robbing the U.S. of tens of millions of dollars– if not hundreds of millions – in annual pork exports and the thousands of associated jobs. The following are just a couple of the major trade barriers that the U.S. pork industry faces in the Philippines. The elimination of these trade barriers is a major priority for the U.S. pork industry.

Reference Price Scheme: The Philippines maintains a reference price scheme that it uses to determine import duties on frozen pork and poultry. Under the reference price scheme, imported frozen pork cuts may be assessed duties based on reference prices established by the Philippines government, rather than declared import prices.

SPS Import Clearance Certificates: Over the years, the Philippine government has periodically revised its meat import regulations through a series of Administrative Orders (AOs), to address what it says are food safety concerns. A major component of current Philippine import requirements for meat imports is the SPS Import Clearance Certificate, a veterinary certification that is required in order to import meat into the Philippines. The Import Clearance Certificate is widely viewed by importers as a means of controlling Philippine meat imports, which was implemented by the Philippine Department of Agriculture in response to pressure from domestic meat and poultry producers. And, just recently the Philippines began plans to implement a pre-inspection program for most Philippine agricultural imports, including meat products. This new pre-inspection program could be implemented as early as July 2014. This new measure has the potential to needlessly disrupt U.S. pork shipments to the Philippines.

South Africa

South Africa blocks U.S. pork exports based on what the South African government says is concern about porcine reproductive and respiratory syndrome (PRRS), pseudorabies (PRV) and trichinae, in addition to several other issues, while the United States government and the U.S. pork industry have provided a wealth of information to the South African government demonstrating that U.S. pork is completely safe, and poses a negligible risk of transmission of PRRS, PRV and trichinae.

In May 2013 South African officials broke off negotiations with the U.S. government on a new export certificate for pork shipments -- a certificate that U.S. officials had hoped would allow for improved access into the South African market. Instead, South Africa forced the United States to use a new and highly onerous generic export certificate, which effectively bans U.S. pork by demanding new non-science based guarantees related to PRRS, PRV and trichinae -- guarantees that the United States government cannot provide.

No other country in the world imposes such unscientific PRRS, PRV and trichinae related restrictions on U.S. pork.

PRRS: In May 2012, South Africa notified the World Trade Organization (WTO) that it would impose import restrictions on pork from countries with PRRS, claiming that it is free from the disease despite the fact that they have had two recent outbreaks of PRRS. South Africa claims that imported pork from countries where PRRS is present poses a risk of spreading the disease to the South African swine herd.

South Africa has no scientific justification for imposing PRRS related restriction on pork from the United States. There has never been a case of PRRS having been transmitted through legally imported fresh, chilled or frozen pork anywhere in the world.

Trichinae: According to USDA's Animal and Plant Health Inspection Service (APHIS), there is negligible risk of trichinae in the United States commercial herd and the USDA's Food Safety and Inspection Service (FSIS) do not require trichinae mitigation due to such negligible risks. In addition the U.S. Centers for Disease control have concluded that U.S. commercial pork poses a low risk to consumers and does not recommend any mitigation measures.

PRV: The U.S. commercial herd was declared free of PRV in 2003. There is no scientific justification for South Africa to impose any barriers on U.S. pork or pork products.

GSP/AGOA Benefits: South Africa is a major recipient of U.S. economic aid, and U.S. trade benefits. In recent years, South Africa has received over $700 million annually in economic assistance from the United States. In 2012, South Africa received $2.3 billion in preferential trade benefits from the United States under the African Growth Opportunity Act (AGOA), and $1.2 billion in trade benefits under the U.S. Generalized System of Preferences (GSP) which makes South Africa the fifth largest GSP beneficiary nation.

U.S. laws pertaining to the U.S. GSP program (19 U.S.C. 2462(c)(4)) require that the President take into account whether or not a country is providing "equitable and reasonable access" as a factor in determining whether, and the extent to which, that country should be a recipient of GSP benefits.

Given the policy measures that the South African government has put in place to restrict pork imports from the United States, South Africa is not providing "equitable and reasonable access" to its pork market.

Thailand

Thailand, a country that consumes around one million metric tons of pork per year, maintains a number of bans on pork that have limited the United States, the leading pork exporter in the world, exporting only 186 metric tons of pork to Thailand in 2013.

Ractopamine: Thailand maintains a ban on the import of pork produced with ractopamine despite the fact that their competent authority approved it as safe years ago, but it was never granted approval for use domestically. In 2012 the Codex Commission adopted a final international standard in the form of a maximum residue level (MRL) for pork and beef muscle, liver, kidney and fat. Following the Codex outcome, the Government of Thailand indicated it will begin to amend its ractopamine standard.

Import Licenses: The Thai Department of Livestock and Development (DLD) rarely, if ever, grants import licenses for U.S. pork, other than cooked pork. This policy has been in place for a number of years. The Thai government has never provided reasoning for the arbitrary import permit refusals.

Even in those rare circumstances where import permits have been granted, Thailand imposes an import permit fee of 5 Baht per kilogram (excess of the cost of any legitimate inspection fees), currently equal to about $150 per metric ton (MT), on import permits for pork and pork offal.

Russia

As a part of Russia's WTO Accession commitments, Russia agreed to establish tariff rate quotas arrangements for pork that should offer enhanced opportunities for U.S. pork exports. Russia established a global TRQ of 400,000 metric tons for pork, and 30,000 MT for pork trimmings. The in quota duty on the pork TRQs is zero and the out of quota rate will be set at 65 percent. Russia also agreed that in 2020 it will eliminate the pork TRQs, replacing them with a flat 25 percent import duty. However, the benefits of WTO accession have been nullified by Russia's failure to abide by WTO rules.

Today, Russia maintains numerous barriers on U.S. pork exports through its zero tolerance on pathogens (which no country, not even Russia, can guarantee) to its ban on ractopamine and the unjustifiable delisting of U.S. pork plants as eligible to ship product to Russia. All these and other barriers have reduced U.S. pork exports to only $17 million in 2013, down from nearly $440 million in 2008.

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